

RESTATED AND AMENDED
COOPERATION AGREEMENT

THIS RESTATED AND AMENDED COOPERATION AGREEMENT ("Agreement") is entered into this ____ day of _____, 2010, by and between the HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA (herein called the "Local Authority"), and the CITY OF SANTA BARBARA, a municipal corporation, (herein called "Municipality"); witnesseth:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this agreement.

(a) The Term "Project" shall mean any low-rent housing hereafter developed as an entity by the Local Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government") and located within the corporate limits of the Municipality, excluding, however, any low-rent housing project covered by any contract for loans, grants, and/or annual contributions entered into between the Local Authority and the Government, or its predecessor agencies, prior to October 28, 1969, the date of the original cooperation agreement between the parties.

(b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all charges to all tenants of the Project for dwelling rents and non-dwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and non-dwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, over-crowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health or morals.

2. The Local Authority shall endeavor (a) to secure a contract or contracts with the Government for loans, grants, and/or annual contributions covering one or more Projects comprising approximately nine hundred (900) units of low-rent housing, and (b) to develop and administer such Project or Projects. The obligations of the parties hereto shall apply to each such Project.

3. (a) Under the Constitution and statutes of the State of California, all Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. With respect to any Project, so long as either (i) such Project is owned by a public body or governmental

agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for Loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such Project or Local Authority with respect thereto. During such period the Local Authority may make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

b) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount not to exceed either (i) ten percent (10%) of the Shelter Rent actually collected by the Local Authority in respect to such Project during such fiscal year; (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made; or (iii) that amount received by the Local Authority from the Government as operating subsidy under the Public Housing Operating Fund or any successor program, whichever amount is lower. In no event shall any payment be in excess of the amount of real property taxes which would have been paid for such year if the Project were not exempt from taxation.

c) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. The Municipality agrees that, subsequent to the date of initiation (as defined in the United States Housing Act of 1937) of each Project and within five (5) years after completion thereof, or such further period as may be approved by the Government, there has been or will be eliminated, as certified by the Municipality, by demolition, condemnation, effective closing or compulsory repair or improvement, of unsafe or unsanitary dwelling units situated in the locality or metropolitan area in which such Project is located, substantially equal in number to the number of newly constructed dwelling units provided by such Project; provided, that where more than one family is living in an unsafe or unsanitary dwelling unit, the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein; and provided further, that this Paragraph 4 shall not apply in the case of (i) any Project developed on the site of a Slum cleared subsequent to July 15, 1949, and that the dwelling units eliminated by the clearance of the site of such Project shall not be counted as elimination for any other Project or any other low-rent housing project, or (ii) any Project located in a rural non-farm or Indian area.

5. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to

the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality without cost or charge to the Local Authority or the tenants of such Project (other than the Payments in Lieu of Taxes) shall:

(a) Furnish or cause to be furnished to the Local Authority and the tenants of such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

(b) Vacate such streets, roads and alleys within the area of such Project as may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the Municipality may have in such vacated areas; and, insofar as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality, cause to be removed from such vacated areas, insofar as it may be necessary, all public or private utility lines and equipment;

(c) Insofar as the Municipality may lawfully do so, (i) grant such deviations from the Building Code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary for the development and protection of such Project and the surrounding territory;

(d) Accept grants of easements necessary for the development of such Project; and

(e) Cooperate with the Local Authority by such other lawful action or ways as the Municipality and the Local Authority may find necessary in connection with the development and administration of such Project.

6. In respect to any Project the Municipality further agrees that within a reasonable time after receipt of a written request therefore from the Local Authority:

(a) It will accept the dedication of all interior streets, roads, alleys and adjacent sidewalks within the area of such Project, together all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, paving and installation thereof in accordance with specifications acceptable to the Municipality;

(b) It will accept necessary dedications of land for, and will grade, improve, pave and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned); and

(c) It will provide, or cause to be provided, water mains and storm and sanitary sewer mains leading to such Project and serving the bounding streets thereof (in consideration whereof

the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned).

7. If by reason of the Municipality's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any expense to obtain such services or facilities then the Local Authority may deduct the amount of such expense from any Payments in Lieu of Taxes due or to become due to the Municipality in respect to any Project or any other low-rent housing projects owned or operated by the Local Authority.

8. This Agreement constitutes the only agreement between the Municipality and the Local Authority with respect to the subject matter hereof, any other agreements are void and of no effect from and after the date hereof.

9. No member of the governing body of the Municipality or any other public official of the Municipality who exercises any responsibilities or functions with respect to any Project during his or her tenure or for one year thereafter shall have any interest, direct or indirect, in any Project or any property included or planned to be included in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the Municipality involuntarily acquires or had acquired prior to the beginning of his or her tenure any such interest the member shall immediately disclose such interest to the Local Authority.

10. So long as any contract between the Local Authority and the Government for grants, loans, (including preliminary loans) and/or annual contributions in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project remain unpaid, this agreement shall not be abrogated, changed or modified without the consent of the Government. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF, the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first above written.

CITY OF SANTA BARBARA
A Municipal Corporation

By _____
Helene Schneider, Mayor

ATTEST:

By _____
James Armstrong
City Administrator/City Clerk

Approved as to form:

By _____
Stephen Wiley
City Attorney

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

By Barbara B. Allen
Barbara B. Allen, Chair

ATTEST:
Robert G. Pearson
Robert G. Pearson, Secretary

Approved as to form:

By Mark S. Manion
Mark S. Manion
Housing Authority General Counsel